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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Task: 4456
4459

January 25, 2012

Nancy J. Wolverson
Ucolo Exploration Corp.
1055 West Hastings Street, Suite 960
Vancouver, British Columbia V6E 2E9
Canada

Subject: Deficient Notice of Intention to Commence Small Mining Operations, Ticaboo Stockpile Removal Project S/017/0001, Garfield County, Utah

Dear Ms. Wolverson:

The Division of Oil, Gas and Mining has reviewed the referenced Notice of Intention to Commence Small Mining Operations (NOI), and the following items will need to be addressed before the NOI can be determined complete:

1. The revised plans show a borrow location 50 feet south of the ore stockpile for S/017/0050 (see Figure 2 in the submittal dated December 16, 2011). If this borrow area is to be used for reclamation, it needs to be included as part of the permitted area including bonding costs. If cover material will be obtained from a commercial source, the borrow area does not need to be included as part of the permitted area. However, the cost to purchase the borrow material and transport it from a commercial site must be included in the reclamation cost estimate.
2. The borrow site is located near the Ticaboo Stockpile Removal Project (west area, S/017/0050) and does not appear to be within that permit area boundary. The disturbed area for S/017/0050 is 2.89 acres. The NOI for the west project does not have a map; rather, pictures show the stockpile. Please provide a permit area boundary map for S/017/0050. It needs to show both the stockpile and the borrow area. Please include the borrow area within the permit area for either S/017/0001 or S/017/0050.
3. Please modify the NOIs for both S/017/0001 and S/017/0050 so that the reclamation plan shows borrow material near or in S/017/0050 (depending on how the NOIs are modified) being used to reclaim S/017/0001.



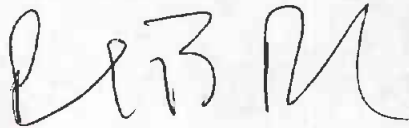
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S/017/0001
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Recent statute and rule changes allow a mine with up to 10 acres in unincorporated areas to be considered a small mine. The Division recommends you consider combining S/017/0001 and S/017/0050 into one operation. Although the annual permit fee would increase from \$300 (\$150 for each permit) to \$500, the reclamation surety amount would almost certainly decrease because there would only be one mobilization charge.

Please provide your response as replacement pages to your original NOIs using Form MR-REV-SMO/EXP, available on the Division's web site at www.ogm.utah.gov.

If you have any questions regarding this letter, please call me at 801-538-5261 or Wayne Western at 801-538-5263. Thank you for your cooperation.

Sincerely,

A handwritten signature in black ink, appearing to read 'PBB', is written over the typed name.

Paul B. Baker
Minerals Program Manager

PBB:whw:eb

cc: Sue Fivecoat, BLM
John Reay, BLM
Will Stokes, SITLA

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